

THE COUNCIL OF THE CITY OF NEW YORK

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Chair, Finance Committee

Hon. Stephen Levin
Chair, Committee on General Welfare



Report to the Committee on Finance and the Committee on General Welfare on the Fiscal 2018 Executive Budget for Human Resources Administration

May 15, 2017

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Executive Budget Summary

- **Expense Budget Overview.** The Human Resources Administration's Fiscal 2018 Executive Budget totals \$9.85 billion, \$95.6 million more than its Fiscal 2017 Adopted Budget of \$9.76 billion.
 - Approximately \$7.5 billion, or 76.4 percent of HRA's Fiscal 2018 Budget is City tax-levy (CTL) funding, \$1.59 billion, or 16 percent is from federal sources, and \$714.7 million, or seven percent is from State sources.
 - HRA's total budgeted headcount for Fiscal 2018 is 14,696, 321 positions less than the Fiscal 2017 Adopted Budget headcount.
- **Executive Budget Changes**
 - HRA's Fiscal 2018 Executive Budget includes \$38.7 million for new needs in Fiscal 2018 and \$1.3 million for new needs in Fiscal 2017. The largest new needs include:
 - \$18.1 million for legal services for immigrants and the expansion of Action NYC;
 - \$15.1 million for legal services for low-income New Yorkers in housing court;
 - \$2.7 million for 25 staff to enhance various management offices; and
 - \$1.9 million for 17 homelessness prevention staff.
 - HRA's other adjustments total \$22 million in Fiscal 2017 and \$13 million in Fiscal 2018 and include a transfer of \$26.4 million from HRA to the Department of Health and Mental Hygiene (DOHMH) for Supportive Housing contracts in Fiscal 2018.
 - HRA's Executive Budget includes \$17.3 million in savings for Fiscal 2017 and \$9.6 million in savings in Fiscal 2018 from a caseload reduction for residential substance abuse treatment, reduced costs associated with State fair hearings and the elimination of personal services costs from vacant positions agency-wide.
- **Major Agency Issue**
 - **Homeless Prevention Administration.** Beginning in Fiscal 2017, homelessness prevention and rehousing programs such as Homebase, transferred from DHS to HRA. Funding for these programs is budgeted across multiple units of appropriation, therefore, it is difficult to track them in HRA's budget. HRA's budget requires more transparency related to homelessness related expenditures.
 - **Emergency Food.** The Emergency Food Assistance Program (EFAP) budget decreased by \$4.9 million to \$11.4 million in the Fiscal 2018 Executive Plan. The Council and food experts called upon the Administration to increase baseline funding for the Emergency Food Assistance Program (EFAP) by \$22 million to address the state of hunger in New York City.
 - **Rental assistance.** There is uncertainty surrounding the final funding and layout of the City's rental assistance programs in Fiscal 2018, which forms the most crucial tool to address the City's homelessness problem. This is because of multiple factors that remain undecided. The Administration announced streamlining existing rental assistance programs in the new homelessness plan, the details of which remain

unclear. HRA is also currently awaiting approval from the Office of Temporary and Disability Assistance for the reinvestment of \$25.2 million in savings from the State for rental assistance; further, as a result of a legal settlement, the State will consolidate the current State and City FEPS programs increasing State contribution for rental assistance. Given the above factors, it is difficult to ascertain what the total City funding for rental assistance programs will be for Fiscal 2018.

- **Capital Budget.** The HRA Capital Commitment Plan for Fiscal 2017-2021 includes \$278.6 million, increasing by \$78.6 million when compared to its Preliminary Commitment Plan. The Fiscal 2018 Capital Commitment Plan totals \$154.4 million, of which \$90.4 million are City funds. The majority of HRA's Fiscal 2018 Capital Plan will fund technology upgrades for management information systems and building improvements.

HRA Overview

This report provides an overview of the Human Resources Administration's Fiscal 2018 Executive Budget, a review of the significant new needs and changes included in the Executive Budget, and highlights HRA's Capital Strategy and the Fiscal 2017-2021 Capital Commitment Plan. Appendix 1 reports the changes made to the Fiscal 2017 and Fiscal 2018 Budgets since Adoption of the Fiscal 2017 Budget. For additional information on HRA's Budget and programs, please refer to the Fiscal 2018 Preliminary Report for the Human Resources Administration at <http://council.nyc.gov/budget/wp-content/uploads/sites/54/2017/03/069-HRA.pdf>

Table 1: HRA Financial Summary

<i>Dollars in Thousands</i>	2015	2016	2017	Executive Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Spending						
Personal Services	\$784,356	\$778,627	\$857,007	\$830,899	\$847,838	(9,169)
Other Than Personal Services	8,986,834	8,619,363	8,905,909	8,858,947	9,010,777	104,868
TOTAL	\$9,771,190	\$9,397,990	\$9,762,916	\$9,689,845	\$9,858,615	\$95,699
Budget by Program Area						
Adult Protective Services	\$44,265	\$44,893	\$56,411	\$50,647	\$56,317	(\$94)
CEO Evaluation	5,855	3,769	8,139	5,380	8,585	446
Domestic Violence Services	103,005	109,889	131,523	131,799	151,291	19,768
Employment Services Administration	24,843	22,475	29,674	30,629	30,001	327
Employment Services Contracts	118,848	139,847	127,715	127,938	124,622	(3,092)
Food Assistance Programs	18,480	14,819	17,132	17,232	11,461	(5,671)
Food Stamp Operations	78,673	74,702	81,861	84,321	73,998	(7,863)
General Administration	435,832	389,817	473,765	384,482	515,949	42,185
HIV and AIDS Services	237,292	240,556	243,428	246,442	244,460	1,032
Home Energy Assistance	42,121	40,367	23,669	25,487	23,669	0
Information Technology Services	85,567	85,255	77,120	83,359	81,236	4,116
Investigations and Revenue Admin	80,460	78,669	82,242	79,947	88,225	5,984
Legal Services	39,124	69,258	94,647	102,414	104,063	9,416
Medicaid - Eligibility & Admin	102,326	85,006	99,279	98,434	98,978	(301)
Medicaid and Homecare	6,378,405	5,963,435	5,947,715	5,947,715	5,947,715	0
Office of Child Support Enforcement	69,819	66,441	63,777	66,777	63,775	(2)
Public Assistance and Employment Admin	226,956	237,749	253,369	244,543	237,535	(15,834)
Public Assistance Grants	1,493,271	1,473,354	1,584,062	1,584,367	1,594,496	10,433
Public Assistance Support Grants	37,396	104,366	186,711	209,712	227,079	40,367
Subsidized Employ & Job-Related Training	93,066	98,649	109,473	113,018	113,722	4,249
Substance Abuse Services	55,587	54,674	71,204	55,203	61,438	(9,766)
TOTAL	\$9,771,190	\$9,397,990	\$9,762,916	\$9,689,845	\$9,858,615	\$95,699

HRA Financial Summary*						
	2015	2016	2017	Executive Plan		*Difference
	Actual	Actual	Adopted	2017	2018	2017 - 2018
Funding						
City Funds	\$7,681,477	\$7,367,844	\$7,478,874	\$7,308,554	\$7,539,335	\$60,461
Other Categorical	276	140	0	0	0	0
State	557,256	570,621	700,654	712,502	714,710	14,055
Federal - Community Development	72,794	244,750	0	5,581	0	0
Federal - Other	1,449,159	1,424,722	1,572,558	1,649,464	1,596,851	24,293
Intra City	10,228	10,188	10,830	13,743	7,719	(3,111)
TOTAL	\$9,771,190	\$9,397,990	\$9,762,916	\$9,689,845	\$9,858,615	\$95,699
Budgeted Headcount						
Full-Time Positions	13,487	13,264	15,010	15,080	14,689	(321)
Full-Time Equivalent Positions	203	137	7	7	7	0
TOTAL	13,690	13,401	15,017	15,087	14,696	(321)

*The difference of Fiscal 2017 Adopted Budget compared to Fiscal 2018 Executive Budget.

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The City's Fiscal 2018 Executive Budget totals \$84.9 billion, \$2.8 billion more than the Fiscal 2017 Adopted Budget of \$82.1 billion. City funds (City tax-levy and non-tax revenues) total \$61.1 billion when compared to the Fiscal 2017 Adopted Budget of \$59.3 billion. For the Human Resources Administration, the Fiscal 2018 Executive Budget totals \$9.85 billion. This represents approximately 11.6 percent of the City's total Budget.

The Human Resources Administration's Fiscal 2018 Executive Budget of \$9.85 billion is \$95.6 million more than HRA's Fiscal 2017 Adopted Budget of \$9.76 billion. The increase is the net impact of a \$104.8 million increase in the Other Than Personal Services (OTPS), which offsets a reduction of \$9.1 million in the Personal Services (PS). The majority of this increase can be attributed to an increase in OTPS funding for domestic violence services, legal services, cash assistance and rental assistance programs, although OTPS funding for the food assistance program and substance abuse services is declining.

PS funding for Public Assistance and Employment Administration and Food Stamp operations decreases in Fiscal 2018 in comparison to the Fiscal 2017 Adopted Budget. Headcount for Fiscal 2018 is 14,696, decreasing by 321 positions when compared to the Fiscal 2017 Adopted Budget.

In addition, the Fiscal 2018 Budget reflects a savings of \$17.3 million in Fiscal 2017 and \$9.6 million in Fiscal 2018 as a result of lower caseload in residential substance abuse treatment, a reduction in costs associated with State Fair Hearings and the elimination of vacant positions agency-wide.

Below is a summary of key funding changes by program area and source when comparing HRA's Fiscal 2018 Executive Budget to its Fiscal 2017 Adopted Budget.

- Increase in City Funds.** HRA's Fiscal 2018 City funding totals \$7.5 billion, or approximately 76.4 percent of the agency's total budget. When compared to the Fiscal 2017 Adopted Budget, City funding increases by \$60.4 million for Fiscal 2018. This growth in City resources can be attributed to the increase in rental assistance programs, domestic violence services, and the agency's Public Engagement Unit that works to engage New Yorkers and connect them with vital services. Although the net impact is an increase in City funding, City resources for programs such as Food Stamp Operations, Public Assistance and Employment Administration, and Food Assistance programs decrease when compared to the Fiscal 2017 Adopted Budget. One-time funding of \$4.9 million added in Fiscal 2017 is not reflected in HRA's Fiscal 2018 Budget for food assistance Program, and funding reductions for Food

Stamp Operations and Public Assistance and Employment Administration headcount decreases due to the benefits re-engineering initiative which modernizes application processes.

- **Net decrease in Headcount.** HRA's full-time headcount decreases by 321 positions for Fiscal 2018. This net decrease can be attributed to the reduction of 332 positions for Food Stamp Operations, 103 positions for Public Assistance and Employment Administration and 23 positions for Medicaid - Eligibility & Administration. As New York State phases in its multi-year redesign of Medicaid and public health insurance programs, the HRA-administered caseload is projected to decline, thus decreasing the need for personnel to administer and process Medicaid applications. Similarly, as a result of the benefits re-engineering initiative, which modernizes benefits application and recertification systems, Food Stamp Operations and Public Assistance and Employment Administration now require fewer personnel to process applications.
- **Increased Funding for Public Assistance Support Grants.** Funding for Public Assistance Support Grants increased by \$40.3 million to a total of \$227 million in Fiscal 2018. As part of the City's effort to prevent at risk populations from becoming homeless, HRA provides access to emergency rental arrears payments and ongoing rental assistance, which is housed in this program area. Beginning State Fiscal Year 2015-16 Budget, the Governor capped the amount that can be billed to the City for the cost of care of youth placed in the New York State Office of Children and Family Services' (OCFS) juvenile facilities, also allowing the City to reinvest the savings into homeless rental assistance programming. The savings amounting to \$25.2 million currently in a holding code will be invested in rental assistance, upon approval from the Office of Temporary and Disability Assistance (OTDA). In addition, New York State has reached a settlement to substantially increase the monthly rent subsidies for households in the Family Eviction Prevention Supplement program (FEPS) which will consolidate the current State and City FEPS programs increasing state contribution towards rental subsidies. Further, The Mayor's new homelessness plan titled "Turning the Tide on Homelessness in New York City" announced streamlining the existing rental assistance programs, however, did not provide any details of the simplification plan. Considering these various factors, it is still uncertain what the funding and layout of the City's rental assistance programs will be in Fiscal 2018 which is a crucial tool in preventing families from becoming homeless. For more information on "Turning the Tide on Homelessness in New York City", refer to:
<http://www1.nyc.gov/assets/dhs/downloads/pdf/turning-the-tide-on-homelessness.pdf>
- **Increased Funding for Domestic Violence Services.** Funding for Domestic Violence Services increases significantly by \$19.7 million when comparing the Fiscal 2018 Executive Budget to the Fiscal 2017 Adopted Budget. This increase in funding is for the expansion of existing HRA domestic violence services. In order to expand services for survivors of domestic violence, the City plans to add an additional 400 Tier II transitional family shelter units, and 300 emergency shelter beds. As of March 2016, 150 additional emergency DV beds are available for service bringing the total number of emergency beds to 2,378. The increase in the program's contractual services reflects the implementation of the commitment of expansion into Fiscal 2018. This expansion is estimated to support 13,300 children and adults a year.
- **Increased Funding for General Administration.** The proposed budget for General Administration in Fiscal 2018 is approximately \$515.9 million, which is \$42.1 million more

than the Fiscal 2017 Adopted Budget. The source of this expansion is the growth in personal services by \$11.3 million and OTPS by \$30.8 million due to the restructuring of the Department of Homeless Services (DHS). Adjustment of OTPS between HRA and DHS reflects shifts from DHS in HRA's budget for Fiscal 2018. There is also an increase in headcount for 25 additional staff for the Office of Constituent and Community Affairs, Communications and Marketing Department, and the Commissioner's Office.

- **Increase Funding for Legal Services.** Funding for the Legal Services program, which houses the Office of Civil Justice, totals \$104 million in the Fiscal 2018 Executive Budget. The Fiscal 2017 Adopted Budget totaled \$62.7 million, and City Council initiatives totaled approximately \$23 million for 40 contracts. Services provided include legal and related services to help low-income households avoid eviction and homelessness, immigration legal services, domestic violence, securing federal benefits, and a range of other legal matters.
- **Decreased Funding for Food Assistance.** HRA's funding for Food Assistance Programs decreased by \$5.6 million in Fiscal 2018. The majority of this decrease is due to the absence of one-time funding of \$4.9 million for food assistance included by the Administration for Fiscal 2017 only.

New in the Executive Budget

The agency's significant new needs for Fiscal 2018 are homeless prevention programs such as rental assistance programs, anti-eviction services, legal and immigration services and job training programs. It is clear from the City's Fiscal 2018 Executive Budget and investments in HRA's Budget, that the Administration is prioritizing in addressing the current homeless crisis through expanded legal assistance and other homeless prevention efforts.

The Department's Executive Budget for Fiscal 2018 is \$168.7 million more when compared to the current Fiscal 2017 budget. For Fiscal 2017, changes introduced in the Executive Plan include \$1.2 million in new needs, a decrease of \$21.3 million in other adjustments, and a headcount increase of 70.

- **Access to Counsel in Housing Court.** HRA's Executive Budget includes \$15.1 million in Fiscal 2018 to provide access to legal counsel in Housing Court. This funding will start the first phase of expanding housing court assistance to all low-income New Yorkers. New Yorkers who earn less than \$50,000 a year would be offered free legal representation and those earning more than \$50,000 would be offered free legal advice. Funding for the program will be phased in over the next five years for a total of \$155 million by 2022. In Fiscal 2018, the increased funding will be distributed among the 15 existing legal providers in all five boroughs, particularly focusing on localities with high shelter entrants. The City estimates an additional 400,000 New Yorkers each year will qualify for legal assistance in Housing Court. There is an associated headcount of four positions in 2018 growing to 14 positions in the outyears.
- **Domestic Violence Task Force.** HRA's Fiscal 2018 Executive Budget reflects \$522,071 in funding for the Domestic Violence Task Force. This funding will provide immigration legal services for victims of domestic violence. It is yet to be decided if new or existing providers will be providing these services. This funding is part of a multi-agency effort to provide more services and support to victims of domestic abuse. Funding across agencies total approximately \$5 million in Fiscal 2018 and agencies rendering services include the Administration for Children's Services (ACS), the Department for the Aging (DFTA) and the Mayor's Office of Criminal Justice (MOCJ).

- **Legal Defense for Immigrants and Expansion of Action NYC.** A total of \$18.1 million in 2018 and in the outyears will support legal defense for immigrants and expansion of Action NYC. This funding of \$16 million will support an initiative to provide legal services to immigrants identified for deportation, \$1.5 million will support the expansion of Action NYC, and \$616,100 will bring on seven new staff members for the Mayor's Office of Immigrant Affairs (MOIA).
- **Management Enhancement.** The Fiscal 2018 Executive Budget includes \$670,000 in Fiscal 2017 and \$2.7 million for Fiscal 2018 and in the outyears for 25 additional staff at HRA. The new headcount is meant to join various teams, including seven staff members at the Office of Constituent and Community Affairs, nine staff members at the Communications and Marketing department, and one new high level administrative position at the Commissioner's Office.
- **Homelessness Prevention Staffing.** In Fiscal 2017, a total of \$477,802 growing to \$1.9 million in Fiscal 2018, and in the outyears will support 17 additional staff for homelessness prevention. These housing specialists will be part of the Homelessness Prevention Administration and help shelter residents move out of shelters and secure permanent housing.
- **HealingNYC.** HRA's Fiscal 2018 Executive Budget reflects \$85,500 in Fiscal 2018 and in the outyears for additional trained staff to administer Naloxone at a HIV/AIDS Services Administration (HASA) shelter. This funding is part of a multi-agency, comprehensive effort to reduce opioid overdose deaths by 35 percent over the next five years. Funding across agencies total approximately \$36.2 million in Fiscal 2018 and agencies rendering services include New York City Police Department (NYPD), Department for Health and Mental hygiene (DOHMH) and Department of Homeless Services (DHS).

Other Adjustments

- **Wage Adjustment.** The Fiscal 2018 Executive Budget includes wage adjustments for HRA services providers to bring wages up to \$15 per hour in three years. For Fiscal 2018, wage adjustments total \$3.6 million, of which \$2.72 million is CTL funds; for Fiscal 2019 adjustments total \$7.1 million, of which \$5.4 million is CTL funds; and for Fiscal 2020 and in the outyears, adjustments total \$10.9 million, of which \$8.1 million is CTL funds.
- **Supportive Housing Contracts.** Funding for the new supportive housing program (NYC 15/15) in the amount of \$26.4 million in Fiscal 2018 and \$50.2 million in Fiscal 2019 is being transferred out of HRA and into DOHMH, who will be managing the contracts going forward.

Savings. The City's Fiscal 2018 Executive Plan includes a Savings Program, which builds on the savings identified during the November Plan and the Preliminary Plan generating a total of \$2.8 billion in savings for Fiscal 2017 and Fiscal 2018. To develop this program, OMB asked all agencies to identify inefficiencies, alternative funding sources and programmatic changes that would yield budgetary savings without reducing service levels. HRA identified savings totaling only \$17.3 million in Fiscal 2017 and \$9.6 million in Fiscal 2018 in the Executive Plan. HRA's savings plan is as follows:

- **Residential Treatment Center Re-estimate.** HRA's residential treatment re-estimate will result in \$6.6 million in savings in Fiscal 2017 and in the outyears. The Substance Abuse Services program funds treatment for cash assistance clients who are referred to substance

abuse treatments. As more and more clients prefer outpatient treatment to residential treatment, HRA re-estimated the budget for such services leading to the savings.

- **Personal Services Accruals.** HRA has identified a savings of \$7.79 million in Fiscal 2017 by re-estimating Personal Services expenditures for the agency. This would eliminate budgeted but vacant positions agency-wide.
- **Fair Hearing chargebacks.** The State has reallocated charges for fair hearings that HRA was being billed for previously. These are hearings that New Yorkers have a right to ask for to settle issues with the State particularly related to welfare benefits they receive or denied. As a result, HRA identified \$3 million in savings in Fiscal 2017 and in the outyears.

Budget Issues

Preliminary Budget Response

The Council's response to the Mayor's Fiscal 2018 Preliminary Budget included two recommendations for the Human Resources Administration. The recommendations called on the Administration to increase baseline funding for the Emergency Food Assistance Program and to right-size human services contracts across all agencies. Neither recommendation was funded in HRA's Fiscal 2018 Executive Budget.

- **Increase EFAP Funding.** The Council called upon the Administration to increase baseline funding for the Emergency Food Assistance Program (EFAP) by \$22 million. Federal cuts from 2010 reduced monthly SNAP benefits, on average, by \$18, which has since, led to more reliance on EFAP and created a strain on emergency food pantries across the City. New Yorkers turn to emergency pantries once their monthly SNAP benefits run out. The Meal Gap, New York City's official measure of food insecurity, represents the meals missing from the homes of those struggling to put food on the table, currently stands at 242 million missing meals. The Administration failed to recognize the increased need in the Fiscal 2018 Executive Plan and the proposed budget is \$11.4 million.
- **Right-Size Human Services Contracts.** The monetary value of many of the City's human services contracts is not sufficient to support the actual costs to deliver services. Typically, contract awards do not fully cover indirect costs such as overhead expenses, building maintenance, information technology, and employee training. While large vendors may have the financial resources to cover these expenses, smaller vendors with limited funding, and those without other sources of income, are forced to operate at a deficit. Inadequately funded human service contract solicitations also limit competition, which can in turn reduce program quality. The Council calls for a comprehensive review of human service contract prices and an overhaul of the structure of human service contracts, to ensure that all of the City's human service agencies engage providers under terms that are fair and sustainable.

Additional Issues

- **Supplemental Nutrition Assistance Program (SNAP) cuts for Able-Bodied Adults Without Dependents (ABAWD).** The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) limits the receipt of SNAP benefits to three months in a 36-month period for able-bodied adults without dependents (ABAWDs) who are not working at least 80 hours per month, participating in qualifying education and training activities at least 80 hours per month, or complying with a workfare program. However, a waiver exempted New York State and City from this rule until December 31, 2016. The expiration of this waiver is likely to reduce the number of people eligible for SNAP but HRA

has not provided an estimate. As more people are unable to access SNAP benefits, more people will go hungry and start to rely on the emergency food network in the City, which is already under-funded.

Preliminary Budget Highlights

As shown in Appendix 1, the Fiscal 2018 Preliminary Budget introduced \$15.6 million for new needs in Fiscal 2017, and \$20.4 million for new needs in Fiscal 2018. The following are major financial actions from the Fiscal 2018 Preliminary Plan for Fiscal 2017 and 2018.

- **Subsidized Jobs for Job Training Program.** The Preliminary Plan added \$2 million in Fiscal 2017 and \$3.3 million in Fiscal 2018 and in the outyears to support additional Job Training Program (JTP) positions in the Department of Citywide Administrative Services (DCAS) and the New York Police Department (NYPD). The newly created 300 positions will provide employment to 600 clients in maintenance and clerical roles within DCAS and NYPD. This expansion of subsidized jobs is part of HRA's two-year phase-out of the Work Experience Program (WEP) in the State-approved employment plan. The total budget for the Job Training Program is approximately \$50 million.
- **Public Engagement Unit.** HRA's Public Engagement Unit (PEU) uses data to pinpoint communities that likely want or need city services. The PEU team of specialists are trained to effectively engage New Yorkers and connect them with vital resources. In the Preliminary Plan funding for HRA's PEU increased by \$11.8 million in Fiscal 2017 and \$13.8 million in Fiscal 2018. This new need also adds 80 new outreach positions: 52 positions for the Health Insurance Enrollment program, 13 for Rent Increase Exemption for Seniors, six for the Home Support Unit, one for the Tenant Support Unit and eight for the Public Engagement Unit Central office.
- **ThriveNYC.** Thrive NYC is an \$850 million multi-agency program that aims to hire 400 mental health clinicians for high-need communities and provide mental health training to a quarter million New Yorkers. HRA's Preliminary Plan includes \$380,000 in Fiscal 2017 and \$761,000 in Fiscal 2018 to expand outreach services. Ten new outreach staff will work to increase access to mental health services.
- **Senior Affordable Rental Apartments Program Transfer.** The Preliminary Budget includes \$2.3 million in Fiscal 2018 and \$3.1 million in the outyears to provide support services to formerly homeless seniors who will be residing in these affordable units. A RFP related to these services will be released in the next few months.

HRA Capital Strategy and Plan

HRA's capital assets include buildings, vehicles and information technology infrastructure. Long-term capital spending goals mainly supports the enhancement of HRA's computer infrastructure, upgrade and maintenance of telecommunication and information equipment to improve the agency's operations and efficiencies, as well as the maintenance and renovation of social services facilities throughout the City.

Executive Ten-Year Capital Strategy

The City's Ten-Year Capital Strategy totals \$95.8 billion (all funds), an increase of \$6.2 billion, or 6.4 percent from the Preliminary Ten-Year Capital Strategy total of \$89.6 billion. The Department's Ten-Year Capital Strategy for 2018-2027 totals \$285.2 million, of which \$167.9 million are City funds, an increase of \$88.2 million when compared to HRA's Preliminary Ten-Year Capital Strategy. This includes \$206.2 million, of which \$122.1 million are City funds, in the 2018-2021 Four-Year Plan.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Automotive Equipment	\$668	\$388	\$200	\$204	\$209	\$214	\$219	\$226	\$233	\$240	\$2,801
Data Processing Equipment	77,310	40,303	-	-	5,853	5,970	6,167	6,369	6,566	6,769	155,307
Equipment	27,604	-	-	-	-	-	-	-	-	-	27,604
Social Services Buildings	36,450	6,440	514	-	3,394	3,461	3,574	3,692	3,805	3,924	65,254
Telecommunications	12,446	1,089	1,273	1,296	2,830	2,886	2,979	3,078	3,138	3,271	34,286
TOTAL	\$154,478	\$48,220	\$1,987	\$1,500	\$12,286	\$12,531	\$12,939	\$13,365	\$13,742	\$14,204	\$285,252

The Ten-Year Capital Strategy includes \$155.3 million under the Data Processing Equipment category for technology to streamline Department operations, including key investments related to Client Services Re-engineering. Capital investments of \$92.9 million are included for facilities maintenance, equipment and improvements which is split up in two categories, Social Services Buildings and Equipment. This includes \$43.9 million in newly funded construction and outfitting projects. Funding of \$34.3 million is included for the installation of telecommunications equipment. This includes updates to various HRA-managed data systems including Voice Over Internet Protocol (VOIP), an extensive network of servers and data storage systems, and routine replacement of workstation equipment. The Ten-Year Capital Strategy also provides \$2.8 million to replace vans and trucks utilized in both programmatic support and agency internal operations. Interestingly, 54 percent of the investments of the Ten-Year Plan is frontloaded in Fiscal 2018.

Capital Commitment Plan

The Fiscal 2018 Executive Budget Capital Commitment Plan includes \$200.5 million in Fiscal 2017-2021 for HRA. This represents less than one percent of the City's total \$78 billion Executive Plan for Fiscal 2017-2021. HRA's Executive Commitment Plan for Fiscal 2017-2021 increases by \$78.6 million when compared to its Preliminary Commitment Plan.

The majority of capital projects span multiple fiscal years, and it is common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal 2016, HRA committed \$20 million or only 27.5 percent of its annual capital plan, similarly a large portion of HRA's Fiscal 2017 Commitment Plan is being rolled into Fiscal 2018, thus increasing the size of the Fiscal 2017-2020 Capital Plan by 173 percent.

	2017	2018	2019	2020	2021	Total
Executive Plan	\$72,422	\$154,478	\$48,220	\$1,987	\$1,500	\$278,607
Preliminary Plan	81,952	56,574	24,382	25,623	11,380	199,911
Change	(9,530)	97,904	23,838	(23,636)	(9,880)	78,696
Percentage	(12%)	173%	98%	(92%)	(87%)	39%

Source: OMB Fiscal 2018 Executive Capital Commitment Plan

Executive Budget Highlights

HRA's Fiscal 2018 Executive Capital Commitment Plan increased by \$97.9 million, or 173 percent when compared to its Fiscal 2018 Preliminary Capital Commitment Plan. Major capital projects that the agency will invest in for Fiscal 2018 are highlighted below.

- **Technology Upgrades: Case Management Systems, Data Centers and Virtual Client Service Centers.** HRA allocated approximately \$73 million in the Fiscal 2018 Executive Capital Commitment Plan towards the creation of new online benefit application tools, e-notices, mobile connectivity, case management systems and data centers, in order to enhance ease of access for clients and partners and create a public facing enterprise. The bulk of projects will lead to increased efficiency and as a result, HRA projects reduction a in costs.
- **New Client Service Centers.** HRA plans to consolidate three existing locations at 94 Flatbush Avenue, 98 Flatbush Avenue and 500 DeKalb Avenue into one modern client service center with self-service kiosks at the 95 Evergreen Street location at Brooklyn. This is part of HRA's redesign of how it serves it clients and funding for this project totals \$21 million in the Fiscal 2018 Executive Capital Commitment Plan.
- **Improvements for Other HRA facilities.** HRA allocated \$57 million towards design and construction improvements at other HRA facilities, including improvements to Elmcour Youth and Adult Activities Recreation Center which are on track to be 50 percent completed by the end of Fiscal 2018.
- **Improvements for Domestic Violence Shelters.** HRA will allocate \$2.2 million towards improvements and critical repairs at domestic violence shelters in fiscal 2018.
- **Landlord payment System.** Funding of \$6.5 million will develop the Landlord Management System to better serve landlords who receive rental assistance checks and reduce payment errors. This will allow the Department to pay landlords via electronic funds transfer (EFT); offer a public facing portal for landlords and clients; reduce lost and missed payments; ensure that all landlord information and client addresses are updated and consistent across the Department's systems; and simplify functions for Department staff. The system is on track to start partially operating in Fiscal 2018.

Appendix 1: HRA Fiscal 2018 Executive Budget Action

<i>Dollars in Thousands</i>	FY 2017			FY 2018		
	City	Non-City	Total	City	Non-City	Total
Agency Budget as of the Adopted 2017 Plan	\$7,478,874	\$2,284,042	\$9,762,916	\$7,518,380	\$2,300,437	\$9,818,817
New Needs (Nov and Prelim Plan)						
ActionNYC	-	-	-	\$1,094	-	\$1,094
CEO Evaluation	729	-	729	-	-	-
Domestic Violence Services Expansion	309	297	607	658	632	1,290
Grant Diversion for Subsidized Jobs	187	118	305	300	177	477
Job Training Program	1,058	-	1,058	1,366	-	1,366
Job Training Program at NYPD	777	-	777	1,639	-	1,639
Public Engagement Unit	11,820	-	11,820	13,840	-	13,840
ThriveNYC	380	-	380	761	-	761
Subtotal, New Needs	\$15,261	\$415	\$15,676	\$19,658	\$810	\$20,467
Other Adjustments (Nov and Prelim Plan)						
Collective Bargaining L1180 Administrative Manager	\$25	\$28	\$52	\$104	\$117	\$221
Fund transfer to Code	-	(113)	(113)	-	-	-
Health Insurance Outreach Consolidation	-	-	-	(713)	-	(713)
Immigration Legal Services	543	-	543	-	-	-
Job Training Program	(2,353)	-	(2,353)	-	-	-
Member Item Reallocation	468	-	468	-	-	-
Prior Year Revenue	(70,725)	70,725	-	-	-	-
Restructuring Technical Adjustment	(45,523)	(31,650)	(77,174)	-	-	-
Storage Services	-	-	-	(3,718)	(4,169)	(7,887)
Service Provider Wage Adjustment	52	17	70	337	112	449
HRO	-	4,486	4,486	-	-	-
Put up Funds for A111 and A108	-	1,737	1,737	-	-	-
Add Money to HRA for URS spend	-	773	773	-	-	-
Add. \$85K for A111	-	85	85	-	-	-
DFTA Legal Tech Adjustment	-	(1,067)	(1,067)	-	-	-
EFSP Phase 33	-	100	100	-	-	-
Funds Added	-	405	405	-	-	-
HEAP 36 Funding	-	373	373	-	-	-
Prior Year Revenue	-	1,546	1,546	-	-	-
Transfer Funds	-	89	89	-	-	-
Adult Literacy Transfer	37	-	37	-	-	-
Council Member Items	10	-	10	-	-	-
Funds moved	-	(31)	(31)	-	-	-
HEAP 37 Admin Funds	-	1,390	1,390	-	-	-
IC W/HRA - NY/NY PATH	-	(16)	(16)	-	-	-
Senior Affordable Rental Apartments Program Transfer	1,530	-	1,530	-	(16)	(16)
Vacancy Reduction	(392)	(368)	(760)	2,341	-	2,341
Grant Diversion for Human Services Contracts	-	-	-	(392)	(368)	(760)
Improved Reimbursement for Legal Services	(6,762)	6,762	-	(2,112)	2,112	-
Prior Year Revenue	(42,467)	42,467	-	(12,005)	12,005	-
Subtotal, Other Adjustments	(165,557)	97,737	(67,820)	(16,157)	9,793	(6,365)
TOTAL, All Changes	(150,297)	98,152	(52,145)	3,500	10,602	14,103
Agency Budget as of the Preliminary 2018 Plan	\$7,328,577	\$2,382,194	\$9,710,771	\$7,521,881	\$2,311,039	\$9,832,920
New Needs - Exec 2018						
Access to Counsel in Housing Court	-	-	-	\$10,795	\$4,325	\$15,120
Domestic Violence Task Force	-	-	-	522	-	522
HealingNYC	-	-	-	86	-	86
Homelessness Prevention Staffing	478	-	478	1,911	-	1,911
Legal Defense for Immigrants and Expansion of Action NYC	176	-	176	18,150	-	18,150

<i>Dollars in Thousands</i>	FY 2017			FY 2018		
	City	Non-City	Total	City	Non-City	Total
New Needs - Exec 2018*						
Management Enhancement	\$635	\$35	\$670	\$2,638	\$138	\$2,776
Public Engagement Unit	-	-	-	158	-	158
Subtotal, New Needs	\$1,289	\$35	\$1,324	\$34,260	\$4,463	\$38,723
Other Adjustments Exec 2018						
Bronx Parent & COCF Shelters	-	\$3,189	\$3,189	-	-	-
Center for Economic Opportunity Programs	(15)	-	(15)	8,243	-	8,243
City Council Member Items	(111)	-	(111)	-	-	-
City Service Corps (HRA)	(24)	-	(24)	(1)	-	(1)
Citywide Fleet Optimization	-	-	-	(48)	(39)	(87)
Collective Bargaining	30	32	61	30	32	62
DFTA Legal Technical Adjustment	-	(1,067)	(1,067)	-	-	-
DSS Integration Realignment	(2,998)	-	(2,998)	(2,998)	-	(2,998)
#Fair Hearing Chargebacks	(3,000)	-	(3,000)	(3,000)	-	(3,000)
Funds moved	-	188	188	-	-	-
Funds moved	-	(209)	(209)	-	-	-
FY17 I/C Mod w HRA for Temps	-	1,000	1,000	-	-	-
FY17 I/C mod w HRA for Courier	-	297	297	-	-	-
FY17_ACSHRA	-	562	562	-	-	-
Health and Human Services Accelerator	-	-	-	2,491	(3,111)	(620)
Heat, Light and Power	348	369	718	65	69	134
Heating Fuel	(116)	(122)	(238)	30	32	62
HRA17367	-	963	963	-	-	-
IC W/HRA - NY/NY PATH	-	16	16	-	16	16
Job Training Program	(700)	-	(700)	-	-	-
Lease Adjustment	-	-	-	10,261	10,249	20,510
NYC 15/15 Funding Adjustment	-	-	-	(26,482)	-	(26,482)
OCSE Incentive	-	1,500	1,500	-	-	-
Overtime Waivers	-	-	-	(1,168)	(971)	(2,139)
#Personal Services Accrual	(7,792)	(4,255)	(12,047)	-	-	-
#Residential Treatment Center	(6,600)	(3,400)	(10,000)	(6,600)	(3,400)	(10,000)
Service Provider Wage Adjustment	-	-	-	2,722	901	3,623
Young Men's Initiative	(335)	-	(335)	(350)	-	(350)
Total Other Adjustments	(\$21,312)	(\$938)	(\$22,250)	(\$16,805)	\$3,777	(\$13,028)
TOTAL, All Changes - Exec. 2017	(\$20,023)	(\$903)	(\$20,926)	\$17,455	\$8,240	\$25,695
HRA Budget as of the Fiscal 2018 Executive Plan	\$7,308,554	\$2,381,290	\$9,689,845	\$7,539,335	\$2,319,279	\$9,858,615

#These "Other Adjustments" are included in the Citywide Savings Program

*Continuation from previous page